

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

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TJD:nwn&kjf:jf

October 27, 2008

To Jim Guidry:

Please review the attached draft, which is in preliminary form because I want to confirm it is consistent with your intent. As drafted, a charitable gift annuity insurer would not be limited to the amount of shares invested in a mutual fund as long as the total proportion of common stock did not exceed 50 percent. This now differs significantly from the investment guidelines for other annuity insurers, which limit investments to 20 percent of assets in shares of a mutual fund regardless of what proportion of that mutual fund's holdings are in common stock. Is this okay?

Also, I believe Pam Kahler sent you an e-mail with a question on the HIRSP assessment determinations. For now, I have drafted this provision to allow the commissioner to exempt any insurer from the HIRSP assessment after the insurer requests an exemption and after a public hearing. This eliminated the commissioner's ability to exempt a class of insurers whose proportional share of coverage revenues is so low that it would cost more to collect the fee than the fee would be. As the provision is drafted, the commissioner would need to have a hearing on each insurer but would not be limited to exempting insurers based on their proportion of coverage revenues. Please let me know if you would like me to change this. Also, please let me know if you would like to incorporate a basis by which the commissioner would exempt an insurer.

Should you have any additional questions or comments on the draft, please contact me.

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